IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

MONDAY, THE TWELFTH DAY OF DECEMBER
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE V.ESWARAIAH

WRIT PETITION No. 25834 of 2005

Between:

Sri B.N. Rama Chander

..... PETITIONER

AND

Indian Bank, Rep. by its Manager,

Barkatpara Branch, Barkatpura,

Hyderabad and another

.....RESPONDENTS

ORDER:

Heard the learned counsel for the petitioner and the learned counsel appearing for the respondents.

The petitioner questions the notice issued by the 2nd respondent dated 15.11.2005. The said notice has been issued by the 2nd respondent in exercise of powers under Section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (Act 54 of 2002) (for short 'the Act'). It is stated that the petitioner is the owner of the house bearing No.18-1-6, Plot No.61, Sy.No.193, admeasuring 264 sq.yards situated in Sri Ramanagar colony, M.E.S.II colony, Alwal, Secunderabad and he has given the said property as a security in favour of Sri Ranganatha Traders and pledged the same with the 1st respondent Bank.

It is further stated that as the said borrower failed to pay the loan amount, in order to realize the said loan amount, the respondents have decided to proceed against the secured assets. Accordingly, a demand notice was issued by the respondents under Section 13(2) of the Act to the petitioner and to one Ch.V.Sudarsan Rao, specifying the loan account of Sri Ranganatha Traders with the 1st respondent Bank and default of payment of loan to a tune of Rs.6,65,789/- and further interest payable from 01.08.2005 till the date of repayment. It is further stated that prior to the said notice the 1st respondent Bank issued a notice on 22.08.2003 demanding repayment of the loan amount, but the said notice, which was sent by registered post, was unserved, and therefore, the same has been affixed on the property of the petitioner, calling upon to pay the said amount within sixty days from the date of the said notice. Particulars of the schedule of property was also mentioned in the said notice. Admittedly, neither the petitioner nor the principal borrower have made any representation or paid the outstanding loan amount within the prescribed period of sixty days, and as the borrower failed to discharge his

liability within the prescribed time of sixty days from the date of notice under Section 13 (2) of the Act, the impugned notice has been issued under Section 13(4) of the Act read with rule 9 of the Security Interest (Enforcement) Rules, 2002 on 15.11.2005, cautioning the general public and the borrower not to deal with the property and any dealings with the property will be subject to the charge of the 1st respondent Bank for a sum of Rs.6,65,789/- and interest thereon.

The learned counsel for the petitioner submitted that the notice issued under Section 13(2) of the Act is defective and do not fulfils the legal requirement.

I am of the opinion that as there is effective remedy of appeal provided under Section 17 of the Act as against the impugned notice, it is not just and proper to express any opinion as it may affect the interest of the petitioner. In fact that no representation has been made either by the petitioner or borrower within sixty days from the date of notice under Section 13(2) of the Act, and the alleged representation has been made after the impugned notice dated 15.11.2005. In that view of the matter, the petitioner is not entitled for any relief claimed in the writ petition.

Accordingly, the Writ Petition is dismissed, giving liberty to the petitioner to file an appeal before the appellate authority under Section 17 of the Act. No order as to costs.

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V.ESWARAIAH,J

Dated: 12.12.2005

Dsr